



PACIFIC LIFE

# Pacific Life *Update*

October 18, 2017

## Pacific Life Insurance Company Prices New Surplus Note Issuance

Pacific Life announced on October 2 the commencement of a cash tender offer to purchase Pacific Life Insurance Company's outstanding Surplus Notes and Pacific LifeCorp's outstanding Senior Notes. Based on the current interest rate environment, Pacific Life is taking the opportunity to "refinance" some of its debt through a repurchase and subsequent issuance of a new surplus note at a lower rate.

On October 17, Pacific Life successfully executed an issuance of \$750 million of new surplus notes at 4.30%. Surplus notes are bond-like instruments issued by insurance companies and are subordinated obligations. Publicly-traded companies may issue stock to raise capital while mutual insurance companies, which are not publicly-traded, have more limited access to capital. Mutual insurance companies, like Pacific Life, may use surplus notes as a method to raise surplus capital.

As part of the process, Fitch Ratings issued a [press release](#) reaffirming Pacific Life's Financial Strength Ratings of "A+". The affirmation is based on "the company's diverse business profile, very strong statutory capitalization and strong earnings, investment management and liquidity."

Offering insurance since 1868, Pacific Life provides a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals, businesses, and pension plans. Pacific Life counts more than half of the 100 largest U.S. companies as its clients. For additional company information, including financial strength ratings, visit Pacific Life online at [www.PacificLife.com](http://www.PacificLife.com).